

**Real Estate Professional Satellite Broadcast
September 21, 2005**

PowerPoint Slides & Notes

PP Intro: Broadcast Overview

- Program Benefits
- Veteran Eligibility
- Automated Systems
- VA Appraisals
- MPR Repairs
- Mortgage Contingency Payments
- The Escape Clause
- Fees and Charges
- Income and Credit

PP1: Allowable uses:

- Purchase existing home
- Build a home
- Multi-unit property
- Purchase and improve a home
- Interest Rate Reduction Refinance Loan
- Cash-Out Refinance

PP2: VA Home Loan Benefits:

- No down payment
- Limitation of closing costs
- Negotiable interest rate
- Choice of repayment plans
- No Mortgage Insurance Premium (MIP)
- Flexible underwriting guidelines
- Assumable mortgage
- No prepayment penalties
- Loan servicing

PP3: Basic Eligibility Requirements (Regular Military)

- Two years active duty
- Discharge under honorable conditions

PP4: Active Duty Eligibility Requirements

- 181 continuous days during peacetime
- 90 continuous days during wartime

PP5: Reserve/Guard Eligibility Requirements

Six continuous years

“Honorable” discharge

PP6: VA’s Automated Systems

Automated Certificate of Eligibility (ACE)

The Appraisal System (TAS)

E-Appraisals

Condo Builder (CPB)

PP7: Regional Loan Center Sections

Loan Production

Construction and Valuation

Loan Administration

PP8 Appraisal Topics

Organizational structure

Appraisal timeliness

Appraisal quality

Repairs

Appraiser conduct

PP9 Appraisal Department Responsibilities

Specially Adapted Housing

Construction complaints

Training

Compliance inspections

PP10 Improving Appraisal Timeliness

Appraisals requested on line

Assignment e-mailed to appraiser

The Appraisal System(TAS)

Appraisal completed in 5-7 days

Appraisal report uploaded to VA web site

Lenders issue value notice in house

PP11 Real Estate Community was Concerned That

Appraisals less than sales price
Reconsiderations taking too long
Time adjustments not being made
Unnecessary repairs
Appraiser not allowed to discuss
VA was too tight on appraisers
Were appraisers told to hold values down?

PP12 Purpose of Circular

Allow lenders and agents to provide relevant data

Speed up reconsiderations

PP13 Main Points of Circular

Point of contact (POC) on appraisal request

Fee appraiser to call POC if value appears low

Two working days to provide additional data

Reconsiderations completed in 5 working days

PP14 Appraisers Must Consider

Supply and demand
Marketing time
Sales listings
Contract offers

PP15 Higher Value Not Supported-Appraiser Must

State who provided the data
Identify the data supplied
Explain why it did not change their value opinion

PP16 Minimum Property Requirements (MPR)

Safe
Sound
Sanitary

PP17 Examples of MPR Repairs

Replace roof shingles
Provide dry crawl space
Repair defective paint

Replace broken window
Repair faulty heating, electrical, plumbing
Repair structural problems

PP18 Examples of Cosmetic Repairs

Soiled carpet
Nail pops
Scratched wooden floors
Missing screens
Fogged windows
Missing wood trim
Small holes in drywall
Missing fence pickets
Faded paint

PP19: The Sales Contract

Mortgage Contingency
VA Escape Clause

PP20: Veteran Can Pay

Reasonable and Customary
Itemized Fees and Charges
Origination Fee
Discount Points

PP21: Veteran Cannot Pay

Attorney's Fees...

*...unless the veteran seeks
independent counsel*

PP22: Seller Concessions

Value Added
Buyer pays nothing
Seller not expected to provide
Payment of fees
Gifts
Payoff of credit balances

PP23: Funding Fee

Type of Service
Down payment
Type of Loan
First or Subsequent Use

PP24: Funding Fee Exemption

In receipt of VA disability
Elected to receive retirement
Surviving Spouse
Pre-discharge disability rating

PP25: Prior Approval Loans

Joint loans
Nonservice-connected Pension
Veterans Rated Incompetent
IRRRLs on delinquent loans

PP26: Income

Stable
Reliable
Anticipated to continue
Sufficient

PP27: Monthly Gross income minus:

- New mortgage payment
- Associated costs
- Monthly debts
- Taxes

Equals Residual Income!

PP28: Add:

Principal and Interest

+ Taxes

+ Monthly debts

Divide by Monthly Gross Income

Equals Debt to Income Ratio!

PP29: Approved Automated Underwriting Systems

Loan Prospector
Desktop Underwriter
PmiAura
CLUES
Zippy

PP30: Short Subject Videos - Examples

Overview of the VA Home Loan Program
VA Appraisals
Loans for Newcomers
Thinking of Buying a Home?

PP31: Web Site Resources

The Lenders Handbook
Training
What's New?
Real Estate Professionals

PP 32: Summary

Program Benefits
Veteran Eligibility
Automated Systems
VA Appraisals
MPR Repairs
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Income and Credit

PP 33: Loan Guaranty Video Tapes

Multi Video Services
1-800-800-DUBS.

Streaming Video
Loan Guaranty's Website

<http://homeloans.va.gov/broadcast.htm>